

DOWNHOME WASHINGTON

DownHome Washington is a self-employment program with three component parts and multiple funding sources representing multiple partnerships. Started in 1991 in response to job losses in timber impacted communities in Snohomish County, parts of the program now are available throughout the state, parts in specific counties, and parts in Snohomish County only. The three components of the program are self-employment/entrepreneurial training and technical assistance, micro-lending and marketing representation in domestic and international markets at the wholesale level.

SELF-EMPLOYMENT / ENTREPRENEURIAL TRAINING AND TECHNICAL ASSISTANCE

The PIC has developed a number of self-employment training vehicles ranging from two hundred hours of classroom training to a fifteen hour workshop. The basic DownHome Washington training model used in both timber affected communities and the Boeing project is a sixty hour classroom training taught over three to four weeks, depending on site. This training is followed by fourteen to fifteen weeks of small group and individual follow-up to help students complete business plans and get started. If applicable, loan packaging is completed in this stage. All PIC training is based on developing a business plan for the student.

Funding sources for training programs are: Washington State Employment Security/Boeing Company Department of Labor National Reserve Grant, Employment Security/Snohomish County PIC Department of Labor National Reserve Grant and student paid tuition.

Funding for technical assistance is provided by: the Small Business Administration Microloan Demonstration Program, the U.S. Forest Service, the Economic Development Administration, and in some cases by the participant.

Prior funding sources include the State of Washington Employment Security and Community Development Departments, the Federal Department of Health and Human Services, both Job Opportunities for Low Income Individuals and the Urban Rural Community Economic Development Programs.

MICRO-LENDING

In 1988 the PIC raised a small loan fund from five foundations: Seafirst, the Northwest Area Foundation, the Boeing Company, the Honeywell Foundation and the Northwest Caterpillar Foundation.

In 1993 the PIC applied for and was granted an SBA Microloan Demonstration Program consisting of up to \$1,500,000 in loan funds (to be repaid) and technical assistance funds for loan packaging and post loan follow-up. The PIC used its original private loan fund monies to match the SBA loan funds.

Originally intended to match an Urban Rural Community Economic Development grant from Health and Human Services which extended to eleven counties and four PICs in Washington

State, it also coincided with the Boeing project and King and Whatcom counties were added to the service area.

This loan fund dramatically increased our ability to help businesses obtain the start-up capital they could not get through traditional channels.

Thirty-five loans have been made to date through this new source.

In early 1995 the Rural Economic Development Administration approached the PIC and asked us to apply for a Rural Economic Loan Fund for timber impacted communities. We were successful in this application and added \$1,500,000 in loan funds for timber impacted communities and raised substantially the dollar amount we can lend to any one project. No loans have as yet been made under this new program, but we expect them to begin in the next few months. The Forest Service granted us technical assistance funds for non-JTPA eligible applicants.

Funding Sources for our loan funds are: Private Foundations and local banks, interest earned on loans, the Small Business Administration and the US Department of Agriculture Rural Economic Development Administration.

THE MARKETING NETWORK

The PIC has taught and lent in a wide variety of locations including small city, inner city, general urban and suburban and rural timber and agriculture dependent communities. After a number of years it became obvious that the businesses started by rural individuals tend to be small home-based manufacturing concerns, while urban businesses tended to be in service industries.

Products produced in rural areas were frequently of very high quality but the owner could not effectively market them, even if trained, because of the distance to regional markets.

In 1992 we began to attempt to market products for rural producers, with enough indication that it could be done to want to continue. Funding did not really become available until late 1994, and we began in earnest.

The DownHome Washington Marketing Association is now composed of nearly sixty members in several counties of Washington. Membership is \$25.00/year and buys the producer product Liability insurance and access to a universal price code at a much reduced price.

We have organized our producers into product lines; food, wood products crafts, clothing and accessories and miscellaneous.

To date our greatest success has been with our food products which are now in all the military commissaries of Washington State and soon Alaska in local supermarket chains such as Larry's Markets, Puget Consumers Coops and Food Emporium. Second only to food products are our wood products. We sell outdoor furniture to most of the independent landscape nurseries in the Puget Sound region and just made a sale to a local furniture chain for indoor small furnishings. In

crafts, dream catchers and bird houses have done well. In the future, we will be looking for additional sales through international markets as well.

This is our newest component, and already it shows great promise for building healthy small businesses in rural communities and for creating jobs in those businesses as they grow.

Funding Sources: Economic Development Administration for Domestic Marketing and the State of Washington Department of Community, Trade and Economic Development and the Department of Agriculture for International Marketing, which includes some funding originated from the Federal Department of Agriculture. In addition, we are funded by the commissions earned on our sales.

SUMMARY

We have combined resources and added partners as we go along, always with the object of better customer service and increased success for our participants. We know that small business ownership isn't for most people, but it is the fastest growing segment of the work force. We want to provide effective programs and resources to increase the success rate for small business owners. **We also are striving for, if a long way from, the ability to internally support our programs through fees for service and interest earned.** Because we serve low income and dislocated worker populations especially, it will take some time to reach this level of earned income.

SUCCESS STORIES

Rocky MacArthur was a dislocated timber worker in the upper Skagit Valley. In 1992 he took the DownHome Washington Entrepreneurial Training Program. Rocky is a chainsaw artist of great ability. After training, the DownHome Washington Marketing Association helped Rocky display his work in a five store chain of "Made in Washington" Stores. Rocky also marketed on his own. Today he has more orders than he can easily fill, and no longer wishes marketing assistance.

Ray Hamilton was a dislocated timber worker from Thurston County. He heard about DownHome Washington through his local Economic Development Council and joined in 1993. Today his products are eagerly sought by locally owned nurseries. His trellises and outdoor swings are especially popular. He is now building sample indoor furniture for a local chain. Ray works with his local PIC when he needs help filling his orders.

Mike Deaton was a low income participant from Yakima County. Mike makes wood chips for barbecuing and smoking from fruitwood. Mike took the training program and sought and received an SBA Microloan to buy a chipper for his wood chip manufacturing. He also joined the marketing association. His products are in all the commissaries in Washington. He recently participated in the International Agricultural Showcase in Yakima with the PIC and received a \$10,000 order as a result.

Martin Jones lives in rural Whatcom county. She began producing wonderful salad dressings three years ago. She heard about the DownHome Washington Marketing Association and joined.

Today she is represented in the military commissaries, Larry's Markets, Puget Consumers Coops and other grocery outlets. Martin has doubled her sales and her production capacity. She too participates in the international marketing program and now has a product for trial in Mexico.

FOR MORE INFORMATION ON THIS PROGRAM, CONTACT:

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